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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554

MAY 12 1993

FEDERAL COMMUNICATIONS COMMISSION  
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In the Matter of )

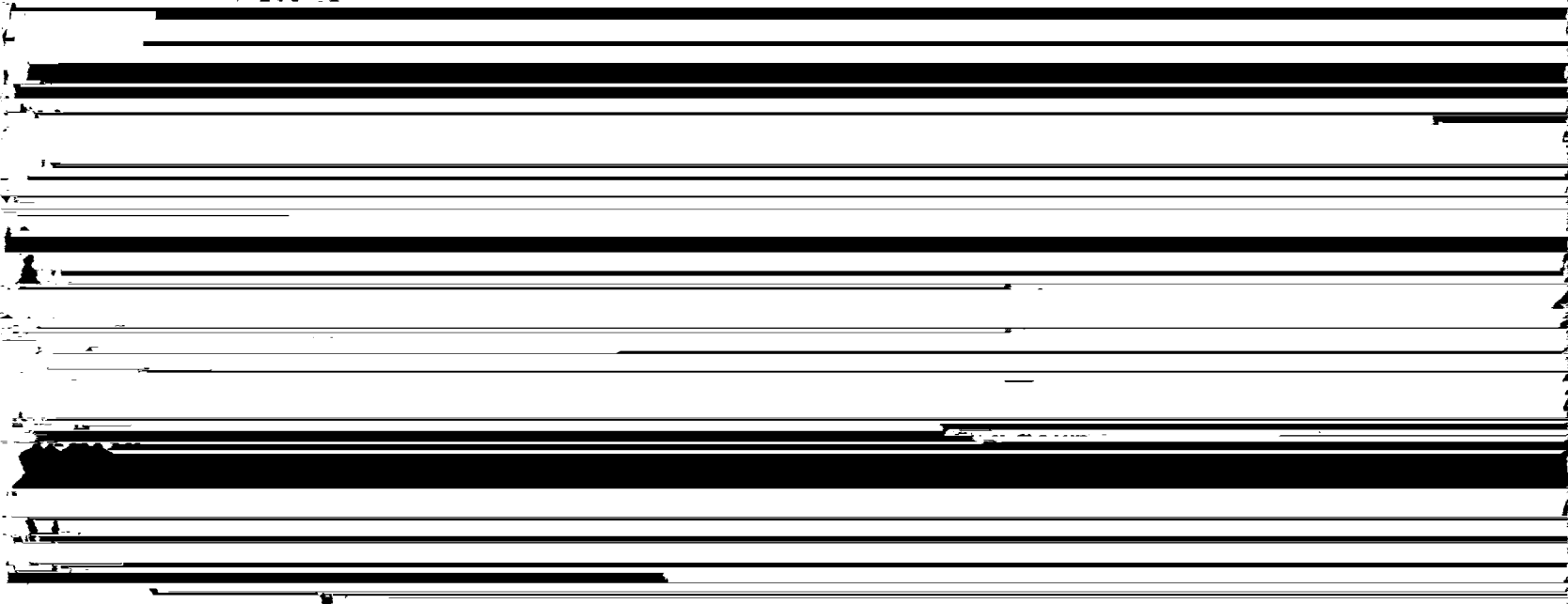
The Accounting and Ratemaking  
Treatment for the Allowance for  
Funds Used During Construction  
(AFUDC) )

CC DOCKET NO. 93-50

**MISSOURI PUBLIC SERVICE COMMISSION COMMENTS**

The Missouri Public Service Commission (MoPSC) submits the following brief comments in response to the Federal Communications Commission's (FCC's) Notice of Proposed Rulemaking (NPRM) dated March 22, 1993, concerning its proposed adoption of the "Revenue Requirement Offset Method" for the accounting and ratemaking treatment for the allowance for funds used during construction (AFUDC).

The FCC recognizes three (3) generally accepted methods used for the treatment of providing compensation to investors for funds used for plant construction. The MoPSC has consistently used the "capitalization method" for construction projects both short-term



this NEDM The change in method for APHC suggested in the NEDM



does not preempt the states regarding AFUDC treatment, the proposed change for interstate purposes is not a concern, in and of itself, for the MoPSC. However, we caution the FCC to avoid a wholesale adoption of GAAP principles as an appropriate basis for accounting and setting rates for regulated utility companies. The MoPSC